

October 1, 2008

TO: ALL STATE AGENCIES, SCHOOL DISTRICTS, MUNICIPALITIES, VOLUNTEER
FIRE COMPANIES AND POLITICAL SUBDIVISIONS

FROM: VICKI L. MACKLIN
STATE CONTRACT PROCUREMENT OFFICER
302-857-4553

SUBJECT: **AWARD NOTICE- Addendum 6 Effective March 1, 2009**
CONTRACT NO. GSS-MU-08-044-VM
COFFEE & TEA

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KEY CONTRACT INFORMATION

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1. MANDATORY USE CONTRACT:

REF: Title 29, Chapter 6911(d) Delaware Code. Every state department and agency within the Executive Branch and Judicial Branch of the state government shall procure all material, equipment and nonprofessional services through the statewide contracts administered by the Division of Support Services, Department of Administrative Services. Delaware State University, Delaware Technical and Community College, the operations funded by Public School Districts, Delaware Transit Corporation, Department of Elections, the Legislative Branch and the Board of Pension Trustees and their consultants are specifically exempted from the requirements of this subsection.

2. CONTRACT PERIOD:

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Each Vendors contract shall be valid for a one (1) year period from October 15, 2008 through October 14, 2009. Each contract may be renewed for two (2) additional one (1) year periods through negotiation between the contractor and the Government Support Services. Negotiation must be initiated no later than ninety (90) days prior to the termination of the current agreement.

3. VENDORS:

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<u>ELLIS COFFEE COMPANY</u>	<u>VITALITY FOODSERVICE INC.</u>
2835 Bridge Street	5 Terri Lane
Philadelphia, PA 19137	Burlington, NJ 08016
Contact: Debbie Goldstein	Contact: Ed Misiewicz
Phone: 800-822-3984	Phone: 800-441-9471
Fax: 215-535-5311	Fax: 609-386-3087
Federal E.I. #: 23-1626981	Federal E.I. #: 20-1478302
Email: dgoldstein@elliscoffee.com	Email: emisiewicz@vitalityinc.com

4. SHIPPING TERMS:

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F.O.B. destination.

5. DELIVERY AND PICKUP:

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<u>ELLIS COFFEE COMPANY</u>	<u>VITALITY FOODSERVICE INC.</u>
SHIP STOCK: 2 DAYS ARO	SHIP STOCK: 5 DAYS ARO
SHIP NON-STOCK: 5 DAYS ARO	SHIP NON-STOCK: 7 DAYS ARO

6. **PRICING:**

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ITEMS 1A, 1B, 1C, 1D and 1E: Quoted coffee prices are based on the coffee futures market April 30, 2008 at \$1.35 per pound plus a normal mark up.

NOTE: Pricing for Items 1A, 1B, 1C, 1D and 1E will change monthly based on the "C" market Price on the last day of the month. Updated pricing will be sent on a monthly basis.

ITEMS 2 – 8: Quoted prices will remain firm for the duration of the contract.

1. Coffee, Urn type, for institutional use, regular grind, high yield, to contain no sour or fermented beans.

ELLIS COFFEE COMPANY					
*Wall Street Market Price Month Ending:08/30/08 Price 1.42					
	COFFEE ONLY		COFFEE W/ EQUIPMENT, SERVICE AND SUPPLIES		
DESCRIPTION					
A. 10 ounce bags (regular) Packaging: <u>32</u> (#bags/case) Yield/Pkg: <u>50</u> (#cups/pkg.)	\$ <u>50.60</u>			\$ <u>57.20</u>	
B. 16 ounce bags (regular) Packaging: <u>24</u> (#bags/case) Yield/Pkg: <u>50</u> (#cups/pkg.)	\$ <u>60.72</u>			\$ <u>68.64</u>	
C. 10 ounce bags (decaf) Packaging: <u>32</u> (#bags/case) Yield/Pkg: <u>50</u> (#cups/pkg.)	\$ <u>55.60</u>			\$ <u>62.20</u>	
D. 2 oz. pkg. (regular) Packaging: <u>128</u> (#bags/case) Yield/Pkg: <u>12</u> (#cups/pkg.)	\$ <u>42.08</u>			\$ <u>47.36</u>	
E. 2 oz. pkg (decaf) Packaging: <u>96</u> (#bags/case) Yield/Pkg: <u>12</u> (#cups/pkg.)	\$ <u>34.56</u>			\$ <u>38.16</u>	

NOTE: Pricing for Items 1A, 1B, 1C, 1D AND 1E, will change monthly based on the "C" market price on the last day of the month. Updated pricing will be sent on a monthly basis.

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2. Coffee, Frozen, Liquid Roast, Bag in a Box System with equipment supplied.

VITALITY FOODSERVICE INC.		
	LIQUID COFFEE WITH EQUIPMENT, SERVICE AND SUPPLIES	
DESCRIPTION	COST PER LITER.	TOTAL PRICE/CASE
A. Regular - 2.2 liter bottle Packaging: <u>3/59.2 oz.</u> (#bottles/case) Yield/Bottle: <u>2012 oz/bottle</u> (#cups/bottle) Cost/Cup <u>.080</u> Based on a 40:1 ratio	<u>\$ 29.33</u> per bottle	<u>\$ 88.00</u>
B. Decaffeinated - 2.2 liter bottle Packaging: <u>3/59.2 oz.</u> (#bottles/case) Yield/Bottle: <u>2.012 oz/bottle</u> (#cups/bottle) Cost/Cup <u>.084</u> Based on a 40:1 ratio	<u>\$ 31.00</u> per bottle	<u>\$ 93.00</u>

ITEM 2A and 2B, prices will remain firm for the term of the contract year.

3 thru 8.

ELLIS COFFEE COMPANY		
	COFFEE AND SUPPLIES	
DESCRIPTION	COST PER CASE	
3. <u>Coffee</u> , Decaffeinated, 10/100 pkgs/cs. Sanka or approved equal. Brand Bid: <u>Frz Dry Decaf</u> Packaging/Case: <u>6/100</u>	\$ <u>39.50</u>	
4. <u>Tea Bags</u> , "Ice Tea Pack", 100-1 ounce/cs Brand Bid: <u>Ellis Iced Tea</u> Packaging/Case: <u>100/1</u>	\$ <u>10.65</u>	
5. <u>Tea Bags</u> , with string and tags, 1M/case Brand Bid: <u>Special Select</u> Packaging/Case: <u>10/100</u>	\$ <u>22.50</u>	
6. <u>Tea Bags</u> , decaffeinated with string and tag. 10/100/case Brand Bid: <u>National Ice Tea</u> Packaging/Case: <u>6/100</u>	\$ <u>24.75</u>	
7. <u>Filters</u> , 18x6, 1000 ct. Brand Bid: <u>FILTERS</u> Packaging/Case: <u>1000 CT.</u>	\$ <u>15.65</u> *	
8. <u>Filters</u> , 20x8, 500 ct Brand Bid: <u>FILTERS</u> Packaging/Case: <u>500 CT.</u>	\$ <u>19.95</u> *	

* IF AGENCY WANTS TO PURCHASE ADDITIONAL FILTERS.

ADDITIONAL TERMS AND CONDITIONS

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7. **MINIMUM ORDER:**

Must be 5 cases for each delivery.

8. **FROZEN & LIQUID COFFEE: (Vendor B)**

100% Columbian Regular and Decaffeinated. Tamper-proof sealed containers. Maintained and delivered in a frozen state. Shelf life: 1year frozen – 24 days refrigerated.

The product shall be processed and packed under modern sanitary conditions commensurate with good commercial practices. Product is packed in a USDA approved facility, and complies with all imposed federal and state regulations.

DELIVERY FOR FROZEN & LIQUID COFFEE:

Shipments for frozen products will be made in mechanically refrigerated trucks. All products are to be delivered f.o.b. to the designated agency.

The frozen product is to be shipped and delivered in a frozen state.

Delivery of product will be on a weekly, bimonthly, or monthly basis as needed by the using agency.

Delivery days to Delaware will be Friday with orders placed by the previous Wednesday; however, you may contact Vitality Food Service to make other arrangements. Delivery on weekly, bimonthly or monthly basis as needed.

9. **DISPENSER(S)/EQUIPMENT:**

Vendor B, Sales Support Representative, Ed Misiewicz, should be notified immediately to survey your need for equipment and the location to be implemented. He will list needs, other than equipment, i.e.; distant to water, electric and special needs/accommodations. He will schedule an appointment to install the equipment with the designated Unit Manager. A schedule for all installations will be faxed to each Unit including the Purchasing Department within 2 weeks of contacting him.

- Proposed Vitality liquid coffee dispenser – CD 600
- Dimensions: 31 1/8" x 13 1/2 " x 21"
- Manufactured in USA
- Dispenses 1400 cups/hour
- Capable of dispensing hot water, regular coffee and decaffeinated
- Capable of adjusting various strengths
- Product hopper has locking device
- FDA and UL approved
- Installed by Vitality trained technicians.
- Requires either 100v or 220v electrical service.

10. **PREVENTIVE MAINTENANCE:**

For Vitality (Vendor B) **Service Call Center – 800-367-5813** located in Burlington, NJ. Shall be performed on each dispenser by the contractor every 30, 60 or 90 day interval and notification, in writing. After that such maintenance has been performed, Vitality technicians will submit to the FSD of the user agencies a report of their finding(s) after each visit.

If it is necessary to remove a dispenser, the contractor must supply similar replacement equipment to the user agency free of charge. Contractor shall use his own service support staff to provide emergency service within 24 hours. Equipment must be repaired or replaced within this timeframe. On site training of state personnel at the time of installation by the service technicians and as needed thereafter will be provided by sales support Representative Ed Misiewicz 4 times a year.

11. **BILLING:**

The successful vendor is required to **"Bill as Shipped" to the respective ordering agency(s).** Ordering agencies shall provide at a minimum the contract number, ship to and bill to address, contract name and phone number.

12. **PAYMENT:**

The agencies or school districts involved will authorize and process for payment each invoice within thirty (30) days after the date of receipt.

13. **PRODUCT SUBSTITUTION:**

All items delivered during the life of the contract shall be of the same type and manufacture as specified unless specific approval is given by the Division of Support Services to do otherwise. Substitutions may require the submission of written specifications and product evaluation prior to any approvals being granted.

14. **ORDERING PROCEDURE:**

Successful contractors are required to have either a local telephone number within the (302) area code, a toll free (800) number, or agree to accept collect calls. Each agency is responsible for placing their orders and may be accomplished by written purchase order, telephone, fax or computer on-line systems. The State makes payments for goods and services using procurement (credit) cards, electronic funds transfer and/or conventional checks. The contractor or vendor must accept full payment by procurement card and/or conventional check at the State's option, without imposing any additional fees, costs or conditions.

15. **HOLD HARMLESS:**

The contractor agrees that it shall indemnify and hold the State of Delaware and all its agencies harmless from and against any and all claims for injury, loss of life, or damage to or loss of use of property caused or alleged to be caused, by acts or omissions of the contractor, its employees, and invitees on or about the premises and which arise out of the contractor's performance, or failure to perform as specified in the Agreement.

16. **NON-PERFORMANCE:**

In the event the contractor does not fulfill its obligations under the terms and conditions of this contract, the ordering agency may purchase equivalent product on the open market. Any difference in cost between the contract prices herein and the price of open market product shall be the responsibility of the contractor. Under no circumstances shall monies be due the contractor in the event open market products can be obtained below contract cost. Any monies charged to the contractor may be deducted from an open invoice.

17. **FORCE MAJEURE:**

Neither the contractor nor the ordering agency shall be held liable for non-performance under the terms and conditions of this contract due, but not limited to, government restriction, strike, flood, fire, or unforeseen catastrophe beyond either party's control. Each party shall notify the other in writing of any situation that may prevent performance under the terms and conditions of this contract.